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News clipping of Statitrol Corporation Acquisition

Rocky Mountain News

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Publicly held firm to acquire Statitrol Corp. of Lakewood

Statitrol Corp. of Lakewood will announce the sale of the company to a major publicly held firm next Wednesday, according to Duane Pearsall, president.

But, he said, until that time, he couldn't identify the company.

The acquisition, he said, will make Statitrol a division of the new parent, but it won't change the nature of the firm. Pearsall will be in charge of the division and no personnel or organizational changes are planned.

The new company isn't now in the smoke alarm business, Pearsall added. A vertical acquisition by another company in the business probably wouldn't be allowed by the Federal Trade Commission, he added.

Statitrol's revenues last year, he said, were around \$21 million, up from \$10.5 million the year before, \$8.2 million the year before that and \$5.3 million the previous year.

THE FIRM HAS averaged a 130 per cent growth a year since it was founded, he said.

The company, Pearsall continued, has about 25 shareholders who will benefit from the stock trade acquisition.

Pearsall said that he owns about a third of the stock, a company in New York owns 13 per cent, The Dillon Companies, through its Central Investment Corp. subsidiary in Denver, owns 44.5 per cent and the remaining shares are held by key executives in the company under stock option plans.

The Dillon Companies said that the purchase of the assets of Statitrol by the new parent company would boost Dillon earnings in the third quarter of the fiscal year, which ends April 2, by about \$2.5 million.

Pearsall wouldn't reveal the name of the buying company or the amount of stock involved in the acquisition.

HE SAID THAT the company currently produces between 800,000 and a million SmokeGard detectors for its commercial and residential buyers a year and probably is the third largest firm in the smoke detection industry.

General Electric, with some 1.5 million detector sales, is considered the largest in the industry.

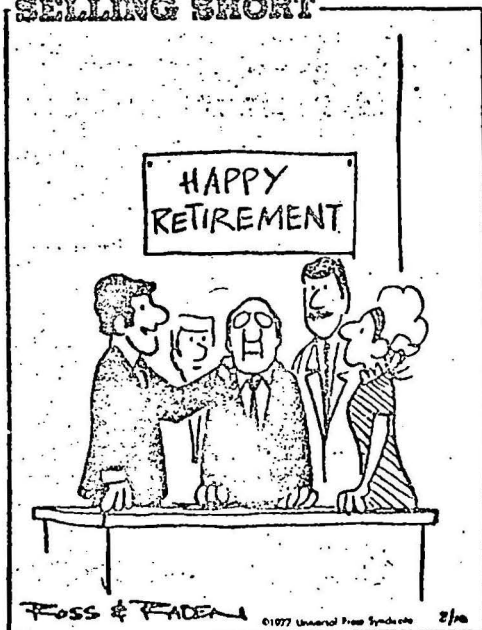
But, it was Statitrol that first brought the low-cost smoke detector to the marketplace through Sears, Roebuck & Co. stores at \$39.95.

And, according to Pearsall, Statitrol "almost singlehandedly" got acceptance of smoke detectors into building codes.

Pearsall was named Small Businessman of the Year for the United States in 1976 by the U.S. Small Business Administration, but the company was growing so fast at that time that he no longer was a small businessman by the time the award was made.

The company has two plants in the Denver area.

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